

# FINAL BILL REPORT

## SSB 6058

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C 15 L 95 E1

Synopsis as Enacted

**Brief Description:** Modifying local public health governance and financing.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senator Loveland).

### Senate Committee on Ways & Means

**Background:** Prior to July 1, 1995, 8.83 percent of the motor vehicle excise tax (MVET) is distributed to cities and towns, based on their relative percentage of the state's incorporated population. These funds are to be used only for police and fire protection and for public health purposes. Local health departments could be cities, towns, counties, or groups of counties. The Washington Health Services Act of 1993 amends the distribution of MVET to local governments by reducing the share distributed to cities and towns to 5.88 percent and limiting the use of these funds to providing police and fire protection. The remaining 2.95 percent of the MVET previously provided to cities and towns is distributed to counties based on their relative percentage of total state population and is earmarked for public health purposes. Counties, or groups of counties, are designated as local health departments.

The change in the MVET distribution formula required in the Washington Health Services Act results in a redistribution of funds across counties. Prior to July 1, 1995, the 2.95 percent of MVET which will be shifted to counties is distributed based on incorporated population, while after July 1, 1995, this portion of the MVET will be distributed on the basis of total state population. This results in a shift of MVET funds away from counties with a greater share of their population in incorporated areas and towards counties with a greater share of their population in unincorporated areas.

Additionally, in many counties the share of public health funding provided by cities has not been equal to the amount of MVET funding cities will lose as of July 1, 1995. For some cities, the combined loss of MVET funds and the loss of responsibility for any further public health financing is a net gain, while for other cities it is a net loss. Likewise, some county health departments will lose more in city public health financing than they will gain in MVET and vice versa.

The Washington Health Services Act also expanded state support of local public health through appropriations from the health services account and the public health services account.

SSB 5253, passed by the Legislature, contains provisions affecting local public health governance which take effect January 1, 1996 only if one of two conditions is met: \$2.25 million is appropriated either in the 1995 omnibus appropriations act or as a result of passage of this measure to implement the specified governance changes. If neither of these

conditions is met, the governance changes in SSB 5253 do not take effect until January 1, 1998.

**Summary:** The county public health account is created and includes the following funds: the 2.95 percent of the MVET that would otherwise be distributed to counties in order to provide for public health funds, and appropriations from the health services account and the public health services account. Distributions from this county public health account to local public health departments equal the 1995 level of city contributions for public health services within the county or health district. Any funds in the account above this level are distributed to public health departments based on their relative share of the state's incorporated population for public health purposes.

**Votes on Final Passage:**

First Special Session

Senate 39 6

House 95 0

**Effective:** January 1, 1996